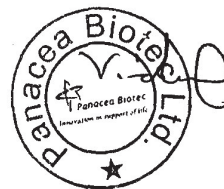
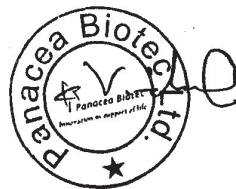


Panacea Biotech UNAUDITED FINANCIAL STATEMENTS	Unaudited Financial Results (Provisional) for the Quarter & Nine Months ended 31st December, 2010				
(Rs. in Lacs)					
Particulars	For Quarter ended		For Nine Months ended		For Year Ended
	31.12.10	31.12.09	31.12.10	31.12.09	31.03.10
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. (a) Net Turnover / Income from Operations	28,406	22,810	79,053	57,112	88,437
(b) Other Operating Income	875	332	1,693	998	2,540
Total Income	29,281	23,142	80,746	58,110	90,977
2. Expenditure					
a. (Increase)/decrease in stock in trade and work in progress	(559)	(2,976)	186	(7,953)	(5,148)
b. Consumption of materials	12,112	15,214	33,469	33,529	50,149
c. Purchase of traded goods	813	553	2,027	1,470	1,801
d. Manufacturing & Administrative Exp.	2,372	2,382	7,625	6,208	8,639
e. Research & Development Exp.	1,923	1,412	4,385	3,874	5,771
f. Employees cost	2,920	2,442	8,859	7,462	9,902
g. Depreciation	1,827	1,643	5,409	4,866	6,645
h. Other expenditure	1,471	78	4,183	3,087	4,392
i. Total	22,878	20,748	66,143	52,543	82,151
3. Profit from Operations before other income, Interest, Foreign Exchange Fluctuation Gain/ (Loss) & Exceptional items (1-2)	6,403	2,394	14,603	5,567	8,826
4. Other Income	315	111	855	363	537
5. Profit before Interest, Foreign Exchange Fluctuation Gain / (Loss) & Exceptional Items (3+4)	6,718	2,505	15,458	5,930	9,363
6. Interest	1,257	858	3,253	2,838	3,827
7. Exchange Fluctuation Loss/ (Gain)	(144)	(23)	206	(993)	(6,272)
8. Profit after Interest but before Exceptional Items (5-6-7)	5,605	1,670	11,999	4,085	11,808
9. Exceptional items	-	-	-	-	-
10. Profit / (Loss) from Ordinary Activities before tax (8-9)	5,605	1,670	11,999	4,085	11,808
11. Tax expenses	1,345	936	2,797	1,835	3,806
12. Net Profit / (Loss) from Ordinary Activities after tax (10-11)	4,260	734	9,202	2,250	8,002
13. Extraordinary items (net of tax expenses)	-	-	-	-	-
14. Net Profit / (Loss) for the period (12-13)	4,260	734	9,202	2,250	8,002
15. Paid up equity share capital (face value of Re.1 per share)	613	668	613	668	668
16. Reserves excluding Revaluation Reserves					68,982
17. Earning Per Share (EPS) - Basic	6.83	1.10	14.40	3.37	11.98
- Diluted	6.36	1.03	13.45	3.15	11.22
18. Public shareholding					
- No. of shares	15,389,192	20,904,912	15,389,192	20,904,912	20,904,912
- Percentage of shareholding	25.12	31.27	25.12	31.27	31.27
19. Promoters and promoter group Shareholding					
a) Pledge / Encumbered					
- Number of Shares	38,000	38,000	38,000	38,000	38,000
- % of Shares (as a % of the total shareholding of promoter & promoter group)	0.08	0.08	0.08	0.08	0.08
- % of Shares (as a % of the total Share Capital of the Company)	0.06	0.06	0.06	0.06	0.06
b) Non-encumbered					
- Number of Shares	45,823,554	45,899,834	45,823,554	45,899,834	45,899,834
- % of Shares (as a % of the total shareholding of promoter & promoter group)	99.92	99.92	99.92	99.92	99.92
- % of Shares (as a % of the total Share Capital of the Company)	74.82	68.67	74.82	68.67	68.67



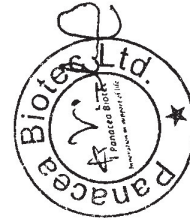
Unaudited Segment-wise Revenue , Results, and Capital Employed

Particulars	For Quarter ended		For 9 Months ended		For Year Ended
	31.12.10	31.12.09	31.12.10	31.12.09	31.03.10
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue					
(a) Vaccines	21,394	16,684	56,051	39,273	65,296
(b) Formulations	7,251	6,404	23,569	18,257	24,173
(c) Research & Development	0	9	0	9	10
(d) Unallocated	636	45	1,126	571	1,498
Gross Sale/Income from Operation	29,281	23,142	80,746	58,110	90,977
Less : Inter Segment Revenue	-	-	-	-	-
Net Sales/Income from Operations	29,281	23,142	80,746	58,110	90,977
2. Segment Results Profit (+) before tax and interest from each segment					
(a) Vaccines	9,188	3,893	19,440	12,329	17,766
(b) Formulations	1,098	1,423	5,587	3,658	4,173
(c) Research & Development	(2,057)	(1,840)	(5,560)	(5,157)	(7,521)
(d) Unallocated	-	-	-	-	-
Total	8,229	3,476	19,467	10,830	14,418
Less : i) Interest	1,257	858	3,253	2,838	3,827
ii) Other Unallocated Expenditure net of Unallocated income	1,367	948	4,215	3,907	(1,217)
Total Profit Before Tax	5,605	1,670	11,999	4,085	11,808
3. Capital Employed					
(Segment assets-Segment Liabilities)					
(a) Vaccines	69,808	75,853	69,808	75,853	72,029
(b) Formulations	21,365	16,259	21,365	16,259	16,635
(c) Research & Development	21,857	21,583	21,857	21,583	19,008
(d) Unallocated	(45,153)	(49,630)	(45,153)	(49,630)	(38,041)
Total Capital Employed	67,877	64,065	67,877	64,065	69,631
New Delhi January 28, 2011					
Regd. Office : Ambala-Chandigarh Highway, Lairu- 140501, Punjab					



Notes:

- 1 The above financial results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meetings held on 27th January, 2011 and 28th January, 2011, respectively.
- 2 The Statutory auditors have also carried out limited review of these results and have given their observations in their report in respect of para 8(i), (ii) & (iii) below.
- 3 Tax expense includes provision for income tax and deferred tax.
- 4 During the quarter, the Company has launched new products namely LENOMUST capsules 5mg, 10mg & 25mg (Multiple Myeloma for Blood Cancer) under its SBU OncoTrust, RENHOLD Tablets (Protein for Dialysis Patients) under its SBU Nephrology, EXEROZ 5mg & 10mg Tablets (For Reduction of Cholesterol) under its SBU Dia Alpha and FIBERFOS POWDER 90gm & GUSH POWDER 90gm (both for Constipation) under its SBUs Growcare & Procure, respectively.
- 5 During the quarter, the Company has paid Rs. 141.01 Lacs towards call money in respect of shares held in its Indian subsidiary, Umkal Medical Institute Pvt. Ltd. and provided a loan of US\$ 400,000 (Rs. 181.01 Lacs) to its overseas Wholly-owned Subsidiary namely Rees Investments Limited.
- 6 During the quarter, the Company's WOS viz. Best On Health Limited has acquired 100% stake in Best on Health Foods Limited by investing Rs.5 Lac.
- 7 The Company has bought back and extinguished 5,592,000 Equity Shares at an average price of Rs.196.39 per share by utilising an amount of Rs.10,982.02 Lacs under its Buy-back offer closed on 15th October, 2010. The Company's paid-up capital after such extinguishment of 5,592,000 Equity Shares is Rs.61,250,746.
- 8 As regards the Auditors' observations in their report on the Audited Accounts for the Financial Year 2009-10:
 - i) With regard to non-provision of proportionate premium on redemption for outstanding portion of US \$ 50 million Zero Coupon Convertible Bonds (US \$ 36.8 million), the management is of the opinion that the bonds are redeemable only if there is no conversion of Bonds earlier, the likelihood of which cannot be ascertained presently. Hence, the payment of premium on redemption is contingent in nature, the outcome of which is dependent upon uncertain future events. Therefore, the same has been disclosed as a contingent liability in the Annual Accounts for earlier years. Accordingly, the proportionate premium on said Bonds during the quarter ended December 31, 2010, amounting to Rs.420.01 Lacs has also not been provided. The total unprovided redemption premium for period upto December 31, 2010 amounts to Rs.6,854.91 Lacs. Further, in the eventuality of Bonds not getting converted, premium on redemption shall be adjusted out of the Securities Premium Account and would not have any consequential impact on the Profit & Loss Account.
 - ii) With regard to capitalization of expenditure on clinical trials for the purpose of registration of Company's product in US and / or Europe, the management believes that these products would be commercially viable and there is no reason to believe that there is any uncertainty that may lead to not securing registration for the products from the regulatory authorities. An amount of Rs.35.91 Lacs towards above said expenditure on clinical trials during quarter ended December 31, 2010, has also been capitalised on similar grounds. The total amount of such capitalisation upto December 31, 2010 is Rs. 5,020.55 Lacs.
 - iii) With regard to payment of managerial remuneration of Rs.381.70 Lacs during Financial Year 2008-09, in excess of limits prescribed under Section 198 and 309 read with Part II of Schedule XIII of the Companies, Act, 1956, without obtaining Central Government approval, the Company sought approval of the Central Government for such remuneration. While the approvals to the extent of Rs.146.19 Lacs of excess remuneration in respect of Joint Managing Directors have already been received, the requisite approvals for waiver of balance amount of excess remuneration of Rs.235.51 Lacs are awaited.
- 9 CARE has assigned 'CARE A-' (Single A Minus) to Long-term Bank Facilities, 'PR2+' (PR Two Plus) to the Long-term/Short-term Bank Facilities and 'PR1' (PR one) to the CP/Short term NCD (within working capital limits from the Banks).
- 10 Status of Investors' complaints [in nos.] during the quarter, pursuant to clause 41 of listing agreement: Opening [0]; Received [3]; Disposed [3]; Closing [0].
- 11 The necessary certificate in respect of above Results in terms of requirement of clause 41 of the Listing Agreement, has been placed before the Board of Directors.
- 12 The previous period's figures have been regrouped/ rearranged/ reclassified wherever necessary.



New Delhi
January 28, 2011

For and on behalf of the Board

Dr. Rajesh Jain
Joint Managing Director

Panacea Biotech Ltd.
Regd. Office : Ambala-Chandigarh Highway, Lalru-140501, Punjab

Website : <http://www.panacea-biotech.com>